

LESLIE TOWNSHIP, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2005

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

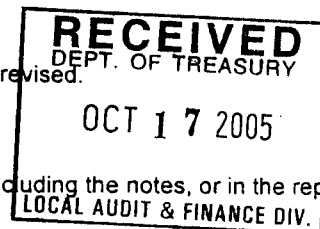
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name LESLIE TOWNSHIP	County INGHAM
Audit Date JUNE 30, 2005	Opinion Date AUGUST 31, 2005	Date Accountant Report Submitted to State: OCTOBER 13, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) DAVID E. HADDRILL, PC			
Street Address 834 N. CAPITOL AVE	City LANSING	State MI	ZIP 48906-5114
Accountant Signature <i>David E. Haddrill, CPA</i>		Date 11-13-05	

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**David E. Haddrill, P.C.**  
**Certified Public Accountant**

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August 31, 2005

Township Board  
Leslie Township

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township as of and for the year ended June 30, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Leslie Township, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township, Michigan as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Leslie Township, Michigan basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*David E. Haddrill, P.C.*

Certified Public Accountant

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

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As the Township Board of Leslie Township, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Leslie Township for the fiscal year June 30, 2005.

#### Financial Highlights

The assets of Leslie Township exceeded its liabilities at June 30, 2005 by \$1,215,965 (net assets). Of this amount, \$188,309 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Leslie Township's governmental funds reported combined ending fund balances of \$410,908, an increase of \$79,481 in comparison with the prior year. The total amount, \$410,908 is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$188,309, or 77.5 percent of the total general fund expenditures.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Leslie Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how of the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Township, which are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include: general government, public safety, public works, health and welfare, and culture and recreation.

The government-wide financial statements can be found on pages 6 and 7 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Leslie Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the township can be divided into two categories: governmental funds and fiduciary funds.

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Leslie Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Fire Protection Fund, Road Improvement Fund and Cemetery Funds which are considered to be major funds. Data from the public improvement funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and other major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

#### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Leslie Township, assets exceeded liabilities by \$1,215,965 at the close of the most recent fiscal year.

By far the most significant portion of the Township's net assets (66 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment). The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

#### TOWNSHIP'S NET ASSETS

	<u>Total</u>
Current and other assets	\$ 431 741
Capital assets	<u>805 057</u>
Total assets	<u>1 236 798</u>
Current liabilities	<u>20 833</u>
Net Assets	
Invested in capital assets	805 057
Restricted	222 599
Unrestricted	<u>188 309</u>
Total net assets	<u>\$ 1 215 965</u>

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

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Of the Township's net assets, \$188,309 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Township's net assets increased by \$71,506 during the current fiscal year as discussed below.

Governmental Activities. Governmental activities increased the Township's net assets by \$71,506.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

#### Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$410,908, an increase of \$79,481 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$188,309. Unreserved fund balance represents 77.5 percent of the total general fund expenditures.

The fund balance of the Township's general fund increased by \$14,788 during the current fiscal year.

#### General Fund Budgetary Highlights

There was an increase in total appropriations of \$4,800 between the original total budget and the final amended total budget. This increase was to cover wages for an additional election (\$2,500) and for additional fire protection activity (\$2,300).

#### Capital Asset Administration

Capital Assets. The township's investment in capital assets for its governmental activities as of June 30, 2005, amounts to \$805,057 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, improvements, equipment, park facilities, etc). The total decrease in the Township's investment in capital assets for the current fiscal year was 1.0 percent.

Details of the Township's capital assets are continued in the notes to the financial statements on pages 13 and 14.

#### Economic Factors and Next Year's Budget and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in the state-shared revenues. State-shared revenues are expected to decrease in 2005-2006 fiscal year. The Township budgeted for a decrease in state-shared revenue. The Township's millage rate was reduced again by the Headlee Amendment rollback. These factors were considered in preparing the Township's budget for the 2005-2006 fiscal year.

LESLIE TOWNSHIP

MANAGEMENT DISCUSSION AND ANALYSIS

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During the current fiscal year, unreserved fund balance in the general fund increased to \$188,309. The Township has presented a budget in the 2005-2006 fiscal year that appropriates \$73,775 of the General Fund unreserved fund balance.

Request for Information

This financial report is designed to provide a general overview of Leslie Township's finances for all those with an interest in the township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Leslie Township at (517) 589-8201.



LESLIE TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

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Governmental  
activities

ASSETS

Cash and cash equivalents	\$ 429 112
Receivables	2 629
Capital assets - net	<u>805 057</u>
Total assets	<u>1 236 798</u>

LIABILITIES

Accounts payable	3 167
Accrued payroll	<u>17 666</u>
Total liabilities	<u>20 833</u>

NET ASSETS

Invested in capital assets	805 057
Restricted for	
Fire Department	30 244
Park pavilion	35 134
Fire protection	5 839
Road improvement	97 731
Cemetery maintenance	53 651
Unrestricted	<u>188 309</u>
Total net assets	<u>\$ 1 215 965</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
STATEMENT OF ACTIVITIES  
JUNE 30, 2005

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Functions/Programs	Expenses	Charges for services	Net(expense) revenue
Primary government			
General government	\$ 225 154	\$ 3 112	\$(222 042)
Public safety	100 816	35 302	(65 514)
Public works	60 426		(60 426)
Health and welfare	10 144		(10 144)
Culture and recreation	5 249		(5 249)
Total governmental activities	<u>\$ 401 789</u>	<u>\$ 38 414</u>	<u>(363 375)</u>
General revenues			
Property taxes			244 012
State - shared revenue			167 015
Government granted equipment			19 966
Interest income			2 446
Miscellaneous			<u>1 442</u>
Total general revenues			<u>434 881</u>
Change in net assets			71 506
Net assets, at beginning of year			<u>1 144 459</u>
Net assets, at end of year			<u>\$ 1 215 965</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Road Improvement Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 202 893	\$ 9 459	\$ 97 731
Receivables	2 443		
Due from Tax Revolving Fund	186		
Due from Fire Protection Fund	<u>3 620</u>		
Total assets	<u>209 142</u>	<u>9 459</u>	<u>97 731</u>
<u>LIABILITIES</u>			
Accounts payable	3 167		
Accrued payroll	17 666		
Due to General fund		<u>3 620</u>	
Total liabilities	<u>20 833</u>	<u>3 620</u>	
<u>FUND BALANCES</u>			
Unreserved			
Undesignated	114 534	5 839	97 731
Designated for subsequent years expenditures	<u>73 775</u>		
Total fund balances	<u>\$ 188 309</u>	<u>\$ 5 839</u>	<u>\$ 97 731</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$1,286,935, net of accumulated depreciation of  
\$481,878 are not financial resources and are not reported in the funds

Net assets of governmental activities

See accompanying notes to financial statements.

<u>Cemetery Maintenance Fund</u>	<u>Public Improvement Funds</u>	<u>Total Governmental Funds</u>
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\$ 53 651	\$ 65 378	\$ 429 112
		2 443
		186
		<u>3 620</u>

<u>53 651</u>	<u>65 378</u>	<u>435 361</u>
---------------	---------------	----------------

		3 167
		17 666
		<u>3 620</u>
		<u>24 453</u>

53 651	65 378	337 133
		<u>73 775</u>
<u>\$ 53 651</u>	<u>\$ 65 378</u>	410 908

805 057

\$ 1 215 965

LESLIE TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	General Fund	Fire Protection Fund	Road Improvement Fund
REVENUES			
Taxes	\$ 89 027	\$ 62 001	\$ 62 001
State government	167 015		
Charges for fire runs	13 485		
Building permits	21 817		
Building rental	3 112		
Interest	1 797	38	100
Miscellaneous	1 442		
Total revenues	<u>297 695</u>	<u>62 039</u>	<u>62 101</u>
EXPENDITURES			
General government	198 007		
Public safety	24 777	57 428	
Public works	6 913		53 513
Health and welfare	10 144		
Culture and recreation	3 066		
Total expenditures	<u>242 907</u>	<u>57 428</u>	<u>53 513</u>
Excess of revenues over expenditures	<u>54 788</u>	<u>4 611</u>	<u>8 588</u>
OTHER FINANCING SOURCES(USES)			
Operating transfers in			
Operating transfers out	<u>(40 000)</u>		
Total other financing sources(uses)	<u>(40 000)</u>		
Excess of revenues and other sources over expenditures and other uses	14 788	4 611	8 588
FUND BALANCE, at beginning of year	<u>173 521</u>	<u>1 228</u>	<u>89 143</u>
FUND BALANCE, at end of year	<u>\$188 309</u>	<u>\$ 5 839</u>	<u>\$ 97 731</u>

Excess of revenues and other sources over expenditures and other uses

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Current period capital acquisitions of \$37,370 were exceeded by depreciation expense of \$45,345.

Change in net assets of governmental activities

See accompanying notes to financial statements.

Cemetery Maintenance Fund	Public Improvement Funds	Total Governmental Fund
\$ 30 983	\$	\$ 244 012
		167 015
		13 485
		21 817
		3 112
54	457	2 446
		<u>1 442</u>
<u>31 037</u>	<u>457</u>	<u>453 329</u>
20 000		218 007
		82 205
		60 426
		10 144
		<u>3 066</u>
<u>20 000</u>		<u>373 848</u>
<u>11 037</u>	<u>457</u>	<u>79 481</u>
	40 000	40 000
		<u>(40 000)</u>
	<u>40 000</u>	
11 037	40 457	79 481
<u>42 614</u>	<u>24 921</u>	<u>331 427</u>
<u>\$ 53 651</u>	<u>\$ 65 378</u>	<u>\$ 410 908</u>
		\$ 79 481
		<u>(7 975)</u>
		<u>\$ 71 506</u>

LESLIE TOWNSHIP  
STATEMENT OF NET ASSETS - TAX REVOLVING FUND  
JUNE 30, 2005

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ASSETS

Cash	\$ 186
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LIABILITIES

Due to General Fund	<u>186</u>
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Net assets	<u>\$</u>
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See accompanying notes to financial statements.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Leslie Township conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Leslie Township:

A. Reporting Entity

Leslie Township is governed by an elected five-member Board. The accompanying financial statements present the government with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Leslie Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting, as is the fiduciary fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.



LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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The Leslie Township property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Leslie Township as of the preceding December 31. It is Leslie Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The Government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Protection Fund accounts for the one mill levied for the acquisition, maintenance and operation of fire protection services and equipment for the Township.

The Road Improvement Fund accounts for the one mill levied to help fund the improvement, maintenance and repair of roads in the Township.

The Cemetery Fund accounts for the one half mill levied to help fund the operation and maintenance of the cemetery in the Township.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. Generally revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 28 of the following year, at which time they are turned over to Ingham County for collection.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Land improvements	25 years
Fire vehicles	20 years
Office and fire equipment	10 years
Computer equipment	5 years

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Township Board.

(3) CASH DEPOSITS

All of the Township's funds are received by the Township Treasurer and deposited with institutions approved by the Township Board. At June 30, 2005, the Township had \$429,112 on deposit at a local bank of which \$100,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current year, including government grants of equipment valued at \$19,966, was as follows:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 17 649	\$ _____	\$ _____	\$ 17 649
Capital assets being depreciated				
Buildings	635 603	3 051		638 654
Improvements other than buildings	76 791			76 791
Equipment	527 423	34 319	7 901	553 841
Subtotal	1 239 817	37 370	7 901	1 269 286

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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Less accumulated depreciation for				
Buildings	147 187	12 760		159 947
Improvements other than buildings	24 586	3 072		27 658
Equipment	<u>272 661</u>	<u>29 513</u>	<u>7 901</u>	<u>294 273</u>
Subtotal	<u>444 434</u>	<u>45 345</u>	<u>7 901</u>	<u>481 878</u>
Net capital assets being depreciated	<u>795 383</u>	<u>(7 975)</u>		<u>787 408</u>
Governmental activities capital total				
Capital assets - net of depreciation	<u>\$ 813 032</u>	<u>\$ (7 975)</u>	<u>\$</u>	<u>\$ 805 057</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 16 580
Public safety	26 582
Culture and recreation	<u>2 183</u>
Total governmental activities	<u>\$ 45 345</u>

(5) RISK MANAGEMENT

Leslie Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Leslie Township has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(6) EMPLOYEES' RETIREMENT SYSTEM-DEFINED CONTRIBUTION

On July 1, 1991, the Township adopted a defined contribution pension plan covering all elected officials and employees paid on a monthly basis. This benefit is an insurance-type plan administered by the Township Clerk under the provisions of Section 401(a) of the Internal Revenue Code.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. The benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on the investments of those contributions. The plan requires the Township to contribute fifteen percent of the participating employee's gross wages, with immediate vesting. Participants may make voluntary after-tax contributions up to ten percent of compensation.

During the year, the Township's required and actual contributions amounted to \$18,268 which was fifteen percent of covered payroll. The plan is funded through Manufacturers Life Insurance Company.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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(7) SPECIAL MILLAGES

In August 1996, Township voters approved three special millages: one mill for the acquisition, maintenance and operation of fire protection services and equipment for the Township, one mill for improvement, maintenance and repair of roads in the Township, and one half mill for the operation and maintenance of the cemetery in the Township. All special millages were for the five years from 1996 through 2000 and have been accounted for in separate special revenue funds. In August 2001, the three millages were renewed through December 2004. In August 2004, the fire millage was extended through December 2008.

(8) BUILDING PERMIT FEES AND RELATED EXPENDITURES

For the period July 1, 2004, through June 30, 2005, building permit fees and related expenditures were as follows:

Building permit revenue	<u>\$ 21 817</u>
Inspection department salaries	12 515
Fringe benefits	2 059
Travel and training	3 803
Allocated overhead	<u>1 877</u>
Total expenditures	<u>20 254</u>
Excess(deficiency) of revenues over expenditures	1 563
Prior net revenue(expenditure)	<u>(5 045)</u>
Net revenue(expenditure) January 1, 2000 through June 30, 2005	<u>\$ (3 482)</u>

REQUIRED SUPPLEMENTARY INFORMATION

LESLIE TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2005	2004
REVENUES	\$ 266 200	\$ 266 200	\$297 695	\$305 714
EXPENDITURES				
Legislative - Township Board	35 540	35 540	30 166	27 139
Supervisor	21 223	21 223	17 721	19 070
Elections	6 500	10 400	8 738	2 442
Assessor	27 495	27 495	23 546	26 131
Professional fees	13 500	13 500	5 256	16 700
Clerk	29 199	29 199	26 963	27 377
Board of Review	700	700	510	450
Treasurer	27 579	27 579	26 480	24 833
Township Hall and grounds	24 500	24 500	22 554	34 753
Cemetery	600	600	600	600
Fire	250	2 550		42 440
Public safety	250	250	250	250
Inspection Department	32 189	32 189	24 527	26 154
Public works	20 000	20 000	6 913	17 693
Planning and Zoning	8 900	8 300	2 729	2 109
Health and welfare	15 000	15 000	10 144	9 011
Culture and recreation	23 750	3 750	3 066	6 725
Other functions	38 000	37 200	32 744	29 585
Total expenditures	325 175	309 975	242 907	313 462
Excess(deficiency) of revenues over expenditures	(58 975)	(43 775)	54 788	(7 748)
OTHER FINANCING SOURCE (USES)				
Operating transfer in - Public Improvement Funds	10 000	10 000		
Operating transfers out - Public Improvement Funds	(20 000)	(40 000)	(40 000)	(15 000)
Total other financing source(uses)	(10 000)	(30 000)	(40 000)	(15 000)
Excess(deficiency) of revenues over expenditures and other uses	(68 975)	(73 775)	14 788	(22 748)
FUND BALANCE, at beginning of year	173 521	173 521	173 521	196 269
FUND BALANCE, at end of year	\$104 546	\$ 99 746	\$188 309	\$173 521

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
FIRE PUBLIC IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	<u>Original budget</u>	<u>Final budget</u>	Year ended June 30, ----- <u>2005</u>	<u>2004</u>
REVENUES				
Interest income	\$ 200	\$ 200	\$ 212	\$ 29
OTHER FINANCING SOURCE				
Operating transfer in	<u>15 000</u>	<u>15 000</u>	<u>20 000</u>	<u>10 000</u>
Revenues and other source	15 200	15 200	20 212	10 029
FUND BALANCE, at beginning of year	<u>10 032</u>	<u>10 032</u>	<u>10 032</u>	<u>3</u>
FUND BALANCE, at end of year	<u>\$ 25 232</u>	<u>\$ 25 232</u>	<u>\$ 30 244</u>	<u>\$ 10 032</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
PAVILION PUBLIC IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	<u>Original budget</u>	<u>Final budget</u>	Year ended June 30, ----- <u>2005</u>	<u>2004</u>
REVENUES				
Interest income	\$ 300	\$ 300	\$ 245	\$ 129
OTHER FINANCING SOURCE				
Operating transfer in	_____	_____	<u>20 000</u>	<u>5 000</u>
Revenues and other source	300	300	20 245	5 129
FUND BALANCE, at beginning of year	<u>14 889</u>	<u>14 889</u>	<u>14 889</u>	<u>9 760</u>
FUND BALANCE, at end of year	<u>\$ 15 189</u>	<u>\$ 15 189</u>	<u>\$ 35 134</u>	<u>\$ 14 889</u>

See accompanying notes to financial statements.



LESLIE TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, -----	
			2005	2004
REVENUES				
Property taxes	\$ 60 200	\$ 60 200	\$ 62 001	\$ 57 424
Interest income	<u>40</u>	<u>40</u>	<u>38</u>	<u>128</u>
Total revenues	<u>60 240</u>	<u>60 240</u>	<u>62 039</u>	<u>57 552</u>
EXPENDITURES				
Public safety - fire operating	52 000	52 000	49 457	15 000
Fire department - capital outlay	<u>8 000</u>	<u>8 000</u>	<u>7 971</u>	
Total expenditures	<u>60 000</u>	<u>60 000</u>	<u>57 428</u>	<u>15 000</u>
Excess of revenues over expenditures	240	240	4 611	42 552
FUND BALANCE, at beginning of year	<u>1 228</u>	<u>1 228</u>	<u>1 228</u>	<u>(41 324)</u>
FUND BALANCE, at end of year	<u>\$ 1 468</u>	<u>\$ 1 468</u>	<u>\$ 5 839</u>	<u>\$ 1 228</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, ----- 2005	2004
REVENUES				
Property taxes	\$ 60 200	\$ 60 200	\$ 62 001	\$ 57 424
Interest income	<u>200</u>	<u>200</u>	<u>100</u>	<u>113</u>
Total revenues	60 400	60 400	62 101	57 537
EXPENDITURES				
Public works - roads	<u>66 700</u>	<u>66 700</u>	<u>53 513</u>	<u>22 250</u>
Excess(deficiency) of revenues over expenditures	(6 300)	(6 300)	8 588	35 287
FUND BALANCE, at beginning of year	<u>89 143</u>	<u>89 143</u>	<u>89 143</u>	<u>53 856</u>
FUND BALANCE, at end of year	<u>\$ 82 843</u>	<u>\$ 82 843</u>	<u>\$ 97 731</u>	<u>\$ 89 143</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
CEMETERY MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, ----- 2005      2004	
REVENUES				
Property taxes	\$ 30 100	\$ 30 100	\$ 30 983	\$ 28 700
Interest income	<u>200</u>	<u>200</u>	<u>54</u>	<u>54</u>
Total revenues	30 300	30 300	31 037	28 754
EXPENDITURES				
Cemetery contribution	<u>20 000</u>	<u>20 000</u>	<u>20 000</u>	<u>20 000</u>
Excess of revenues over expenditures	10 300	10 300	11 037	8 754
FUND BALANCE, at beginning of year	<u>42 614</u>	<u>42 614</u>	<u>42 614</u>	<u>33 860</u>
FUND BALANCE, at end of year	<u>\$ 52 914</u>	<u>\$ 52 914</u>	<u>\$ 53 651</u>	<u>\$ 42 614</u>

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

LESLIE TOWNSHIP  
GENERAL FUND  
SCHEDULE OF REVENUES

	Original budget	Final budget	Year ended June 30, -----	
			2005	2004
Taxes				
Operating	\$ 59 000	\$ 59 000	\$ 61 425	\$ 56 944
Administration fee	22 000	22 000	26 578	23 853
Penalties and interest	<u>1 000</u>	<u>1 000</u>	<u>1 024</u>	<u>999</u>
Total taxes	<u>82 000</u>	<u>82 000</u>	<u>89 027</u>	<u>81 796</u>
Intergovernmental				
State shared revenues	<u>156 400</u>	<u>156 400</u>	<u>167 015</u>	<u>174 736</u>
Charges for services				
Fire retainer and fees	<u>9 000</u>	<u>9 000</u>	<u>13 485</u>	<u>13 515</u>
Building permits	<u>15 000</u>	<u>15 000</u>	<u>21 817</u>	<u>24 246</u>
Miscellaneous				
Building rental	2 000	2 000	3 112	3 275
Interest income	500	500	1 797	954
Miscellaneous	<u>1 300</u>	<u>1 300</u>	<u>1 442</u>	<u>7 192</u>
Total miscellaneous	<u>3 800</u>	<u>3 800</u>	<u>6 351</u>	<u>11 421</u>
Total revenues	<u>\$266 200</u>	<u>\$266 200</u>	<u>\$297 695</u>	<u>\$305 714</u>

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30, -----	
			2005	2004
Legislative - Township Board				
Per diem	\$ 7 500	\$ 7 500	\$ 5 700	\$ 6 990
Clerical	5 280	5 280	4 705	5 047
Supplies	4 000	4 000	3 052	4 059
Dues	1 300	1 300	1 688	1 403
Travel and training	4 000	4 000	3 179	2 245
Printing and publishing	3 500	3 500	1 694	4 036
Miscellaneous	2 500	2 500	715	780
Capital outlay	7 460	7 460	9 433	2 579
Total legislative - Township Board	35 540	35 540	30 166	27 139
Supervisor				
Salary	16 223	16 223	16 222	15 750
Deputy	1 000	1 000	225	118
Supplies	500	500	156	
Travel and training	3 500	3 500	1 118	3 202
Total Supervisor	21 223	21 223	17 721	19 070
Elections				
Per diem	3 000	6 100	5 535	520
Supplies	3 000	3 800	2 677	791
Printing and publishing	500	500	526	228
Capital outlay				903
Total elections	6 500	10 400	8 738	2 442
Assessor				
Salary	18 720	18 720	18 720	18 477
Assistant assessor	2 500	2 500	752	1 502
Supplies	4 500	4 500	2 255	4 493
Dues	75	75	90	15
Travel and training	1 700	1 700	1 729	1 644
Total Assessor	27 495	27 495	23 546	26 131
Professional fees				
Attorney	10 000	10 000	1 756	14 400
Audit	3 500	3 500	3 500	2 300
Total professional fees	13 500	13 500	5 256	16 700

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2005	2004
Clerk				
Salary	\$ 22 279	\$ 22 279	\$ 22 278	\$ 21 630
Deputy	3 000	3 000	2 464	2 402
Supplies	1 000	1 000	277	388
Dues	170	170	190	195
Travel and training	2 750	2 750	1 754	2 762
Total Clerk	29 199	29 199	26 963	27 377
Board of Review				
Per diem	700	700	510	450
Treasurer				
Salary	22 279	22 279	22 278	21 630
Deputy	1 200	1 200	651	486
Supplies	500	500	62	324
Dues	200	200	190	190
Travel and training	3 300	3 300	3 299	2 203
Publications	100	100		
Total Treasurer	27 579	27 579	26 480	24 833
Township Hall and grounds				
Salary	3 000	3 000	2 286	2 376
Supplies	1 000	1 000	459	530
Utilities	4 500	4 500	4 438	3 870
Telephone	4 000	4 000	3 627	3 769
Repairs and maintenance	12 000	12 000	11 744	24 208
Total Township Hall and grounds	24 500	24 500	22 554	34 753
Cemetery				
Salary	600	600	600	600

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2005	2004
Fire				
Wages	\$	\$ 2 300	\$	\$ 6 318
Supplies	250	250		6 196
Telephone				1 592
Travel and training				61
Insurance and bonds				13 119
Utilities				3 328
Repairs and maintenance				11 584
Miscellaneous				242
Total fire	250	2 550		42 440
Public safety	250	250	250	250
Inspection Department				
Zoning Administrator salary	8 189	8 189	8 209	7 970
Building Inspector salary	7 000	7 000	5 550	6 330
Electrical Inspector salary	5 000	5 000	2 640	3 180
Plumbing Inspector salary	7 000	7 000	4 325	4 825
Travel and training	5 000	5 000	3 803	3 849
Total inspection department	32 189	32 189	24 527	26 154
Public works				
Roads				7 760
Drains	20 000	20 000	6 913	9 933
Total public works	20 000	20 000	6 913	17 693
Planning and Zoning				
Planning Commission per diem	3 000	2 400	1 470	1 170
Board of Appeals per diem	400	400	206	120
Construction Appeals per diem	500	500		
Miscellaneous	5 000	5 000	1 053	819
Total planning and zoning	8 900	8 300	2 729	2 109



LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2005	2004
Health and welfare				
Recycling	\$ 3 000	\$ 3 000	\$	\$
Clean-up days	<u>12 000</u>	<u>12 000</u>	<u>10 144</u>	<u>9 011</u>
Total health and welfare	<u>15 000</u>	<u>15 000</u>	<u>10 144</u>	<u>9 011</u>
Culture and recreation				
Community pool	3 000	3 000	3 000	3 000
Neighborhood Watch	750	750	66	
Capital outlay - park pavilion	<u>20 000</u>			<u>3 725</u>
Total culture and recreation	<u>23 750</u>	<u>3 750</u>	<u>3 066</u>	<u>6 725</u>
Other functions				
Insurance and bonds	9 000	9 000	9 783	8 472
Social security	5 000	5 300	4 693	4 020
Pensions	19 000	19 000	18 268	17 093
Contingency	<u>5 000</u>	<u>3 900</u>		
Total other functions	<u>38 000</u>	<u>37 200</u>	<u>32 744</u>	<u>29 585</u>
Total appropriations and expenditures	<u>\$325 175</u>	<u>\$309 975</u>	<u>\$242 907</u>	<u>\$313 462</u>